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PIERCE PROPOSED AMENDMENT #2

2010 NOV 19 P 2: 39

DATE PREPARED: November 18, 2010

COMPANY DUMMISSION

Arizona Public Service

ORIGINAL

DOCKET CONTROL DOCKET NOs:

E-01345A-10-0262 & E-01345A-10-0166

OPEN MEETING DATES:

November 22-23, 2010

AGENDA ITEM: U-27

Page 13, line 13

INSERT new Paragraph:

"While recognizing that Staff's alternative budget trigger mechanism has merit, APS filed comments indicating that it continues to support the trigger mechanism it proposed in its 2011 Plan. APS believes that under Staff's proposal it will be more difficult for customers to plan for and understand incentive level changes. APS further believes that Staff's proposal creates a risk that residential incentive funding will be depleted before year end because it does not include funding cycles."

"We too recognize the merits of Staff's approach and appreciate the proposal. However, we believe that allowing APS a certain amount of deference and discretion in setting-up its incentive step-down mechanism will allow us to more readily hold APS accountable for any missteps and/or oversights in implementing its proposal. Accordingly, we will allow APS to carryout its automatic step down mechanism in the way it has proposed. We fully expect Staff and other interested stakeholders to comment on the success or failure of APS' mechanism during APS' 2012 implementation plan process."

Page 22, line 11

DELETE and REPLACE Ordering Paragraph as follows:

"IT IS FURTHER ORDERED that Arizona Public Service Company's proposed automatic step-down mechanism for PV incentives is approved."

Conforming changes.

Arizona Corporation Commission

DOCKETED

NOV 19 2010

DOCKETED BY



Passed	THIS AMENDMENT: Passed as amended by	
Failed	Not Offered	Withdrawn